



Business Finance Virtual Learning

**11th and 12th/ Lesson:
Vehicle Leasing**



Lesson: 4/31/2020

Students will be able to:

- Explore vehicle leasing and how to qualify for it
- Learn the difference between vehicle leasing and financing

Watch the video link to learn
about vehicle leasing

[Vehicle Leasing](#)

Question Starter:

Would you prefer to lease a car or get an auto loan to buy it? Explain why.

After answering the question starter, answer the following 5 questions

Hint: Some questions have more than one answer

1. Auto loans recently made the news. Why?

A.. Less people are borrowing money to own cars

B. Banks are making fewer loans to people with bad credit

C. More people are struggling to repay their loans

D. New laws require lenders to charge the same interest rate

2. What percent of Americans borrow money to buy cars?

A. 23%

B. 47%

C. 62%

D. 85%

3. What is a benefit for taking out a loan?

- A. You own the car after you have paid off the loan
- B. You don't need to purchase insurance
- C. Loans are always cheaper than leases
- D. You can be approved for a loan even with bad credit
(costly)

4. What is the benefit of leasing a vehicle?

- A. Easier to get if you have bad credit
- B. You own the car at the end of the lease period
- C. Lower payment each month
- D. Unlimited mileage while you lease the vehicle

5. With bad credit how much more money do you end paying for a \$20,000.00 car loan over 5 years?

A. About \$1500

B. About \$3220

C. About \$5000

D. About \$7500

Financing or Leasing a Vehicle Article

Look at the article and answer the following questions:

1. How are direct lending and dealer financing similar?
2. Which seems like the better option?

Exit Ticket and answer to the first 5 questions:

Exit Ticket:

After learning even more about leasing, do you think it is a good option for some? What's one reason for leasing being a better option than financing?

Answers:

1. C
2. D
3. A and D
4. C
5. D